

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 NEA-10 ISO-00 XMB-07 CAB-09 CIAE-00

COME-00 DODE-00 DOTE-00 INR-10 NSAE-00 RSC-01 FAA-00

MC-02 TRSE-00 L-03 PA-04 PRS-01 USIA-15 DRC-01 /100 W

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R 011436Z APR 74

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 7174

INFO AMCONSUL ISTANBUL

AMEMBASSY ANKARA

FAA BRUSSELS

AMEMBASSY LONDON

UNCLAS BEIRUT 3785

DEPT PASS COMMERCE (FOR COHEN), EXIMBANK AND FAA

E.O. 11652: N/A

TAGS: ETRN, TU

SUBJECT: CIVAIR - THY DEVELOPMENTS

SUMMARY: THY SLATED FOR NEW BOARD OF DIRECTORS AND GENAL MANGER. AIRLINE WILL PROBABLY ORDER TWO NEW DC-9-30'S AND TWO NEW ADVANCED 727-200'S SHORTLY, WITH DIVIDED MANAGEMENT OPINION REGARDING ACQUISITION REPLACEMENT DC-10-10. AIR-LINE PROFITABLE FOR 1973. END SUMMARY.

1. RCAA AND CONGEN ECON/COMMERICAL OFFICER MET WITH THY TECHNICAL MANGER, NEZIHI UNSAL AND DOUGLAS AIRCRAFT COMPANY CONSULTANT, DR. KUTSI BEGDES MARCH 29 IN ISTANBUL. EARLIER SAME DAY RCAA MET WITH SUPHI ISCEN, THY ASSISTANT GENERAL MANAGER.FOLLOWING DEVELOPMENTS EMERGED:

2. PRESENT FLEET - SEVEN MCDONNELL DOUGLAS DC-9-30'S; TWO MCDONNELL DOUGLAS DC-10-10'S; FOUR FOKKER-VFW F-28'S; ONE BOEING 707-321 (LEASED FROM PAN AM, TO BE RETURNED JUNE 17, 1974); FOUR BOEING 707-121B'S (LEASED FROM FRED AYER AND UNCLASSIFIED

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ASSOCIATES, NEW YORK, NEW YORK, WITH FIFTH TO BE DELIVERED

JUNE 17, 1974). ON ORDER: FOUR 167-SEAT BOEING ADVANCED 727-200'S FOR DELIVERY LATER THIS YEAR.

3. PROFITABILITY - FINANCIAL STATEMENT 1973 WAS TO BE APPROVED BY GENERAL ASSEMBLY STOCK HOLDERS MARCH 30 AND INDICATES THY NET PROFIT 63 MILLION LIRA (\$4.5 MILLION US) BUT, DUE COMPLEXITIES THY NEGOTIATIONS WITH LABOR UNION, MAY BE RESTATED TO 19 MILLION LIRA (\$1.36 MILLION US).

4. NEW MANAGEMENT SLATE -GENERAL ASSEMBLY STOCK HOLDERS WAS SCHEDULED MARCH 30 WHICH WAS TO INCLUDE ELECTION NEW THY BOARD OF DIRECTORS (SLATE APPROVED BY GOT PRIME MINISTER MARCH 28). FURTHER, NEW MANAGING DIRECTOR WAS TO BE APPOINTED MARCH 30, REPLACING GENERAL REMZI YELMAN. DESIGNEE IS AGASI SEN WHO PREVIOUSLY HELD POST GENERAL MANAGER THY 1965-67 AND EXECUTED DECISION FOR THY TO BUY ITS FIRST MCDONNELL DOUGLAS DC-9-30'S. WE UNDERSTAND SEN ACCEPTED NOMINATION AS GENERAL MANAGER WITH TWO OF HIS PRECONDITIONS SATISFIED: (A) GENERAL MANAGER, NOT BOARD CHAIRMAN, TO ACT AS CHIEF EXECUTIVE OFFICER; (B) GENERAL MANAGER TO RECEIVE FIRM FOUR-YEAR THY EMPLOYMENT CONTRACT. BEIRUT SOURCES INDICATE, HOWEVER, THAT GENERAL ASSEMBLY STOCK HOLDER NOT CONVENED MARCH 30 DUE ABSENCE MINORITY (1.96 OCT.) OWNER, BRITISH AIRWAYS ASSOCIATED COMPANIES. GENERAL ASSEMBLY EXPECTED TO BE RECONVENED WITHIN 30 DAYS, WHICH LEAVES AIRLINE UNFORTUNATE POSITION WHERE NECESSARY DECISIONS, PARTICULARLY WITH REGARD REPLACEMENT LOST DC-10, WILL BE DELAYED.

5. EVENING MARCH 28, NEZIHI UNSAL AND CHIEF PILOT CAPT. AYTEKIN BILGI APPEARED ON ISTANBUL TELEVISION PANEL PROGRAM COVERING THY DC-10 ACCIDENT AND AFTERMATH. UNSAL AND BILGI REPORTEDLY ISSUED VERY STRONG STATEMENT SUPPORTING DC-10-10 AND (UP TO CRASH) SUCCESSFUL DEPLOYMENT WIDEBODIED AIRCRAFT ON THY ROUTES. AMONG POINTS MENTIONED WERE SUCCESSFUL DC-10 AIRLIFT 21,000 TURKISH PILGRIMS ISTANBUL-JIDDA DURING COMPRESSED 15-DAY PERIOD RECENT HAJJ AND HIGHLY EFFECTIVE MULTIPLE NIGHTLY DEPLOYMENT WORKER CHARTERS ISTANBUL-WEST GERMANY BENELUX. UNSAL POINTS OUT THAT, ALTHOUGH DOUGLAS AND GE SPARES SUPPORT NOT YET OPTIMUM, AIRLINE ABLE ACHIEVE YEAR-ROUND UTILIZATION RATE EIGHT HOURS PER DAY. THY DC-10-10 DISPATCH RELIABILITY (DEPARTURES UNCLASSIFIED

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WITHIN 15 MINUTES OF SCHEDULE) IS 97 PCT, NOT COUNTING CON-SEQUENTIAL (CHAIN) DELAYS. UNSAL INDICATED EXPERIENCED THY LOAD FACTOR FOR 1973 WAS 73 PCT. ON DOMESTIC SECTORS AND 58 PCT. ON INTERNATIONAL SECTORS (WELL ABOVE BREAK-EVEN AND INDICATING SHORT-FALL IN DOMESTIC CAPACITY). UNSAL REITERATED LATEST FAIL-SAFE "CLOSED LOOP" CARGO-DOOR MODIFICATIONS INSTALLED THY'S TWO REMAINING DC-10'S MARCH 27.

6. REEQUIPMENT - ISCEN AND UNSAL INDATE AIRLINE WILL PROBABLY ORDER TWO MCDONNELL DOUGLAS DC-9-30 TWINJETS AND TWO BOEING ADVANCED 727-200 TRIJETS FOR DELIVERY 1975. THE TWO ADVANCED 727-200'S ARE IN ADDITIONAL TO FOUR ADVANCED 727-200'S PRESENTLY ON ORDER AND SCHEDULED FOR DELIVERY LATER THIS YEAR. ISCEN CONCEDES TRAFFIC REQUIREMENTS CALL FOR EARLY DELIVERY REPLACEMENT DC10 PLUS LATER DELIVERY TWO OR THREE ADDITIONAL DC-10'S BUT APPEARS UNCERTAIN WHETHER THY TECHNICALLY GEARED TO HANDLE WIDEBODIED FLEET. ISCEN STATES HOWEVER, THAT STRONG ELEMENTS WITHIN THY ARE PUSHING EARLY DESISION ON REPLACEMENT DC-10 PLUS SEVERAL OTHER DC-10'S. UNSAL STRESSES AIRLINE HAS PROVEN TECHNICAL CAPACITY TO HANDLE DC-10'S AND THAT THIRD (REPLACEMENT) DC-10 URGENTLY REQUIRED TO FILL LARGE GAP IN CAPACITY AND TO SURMOUNT DIFFICULTIES IN AIRCRAFT POSITIONING.

7. INDICATIONS UNSAL AND, EARLIER, DGCA GUNGEN, THAT JAN. 1974 F-28 CRASH IZMIR DUE FROST BUILDING ON WINGS AND PILOT ERROR IN NOT RUNNING UP ENGINES PRIOR TAKEOFF TO PERMIT THERMAL-DEICING EQUIPMENT TO DEFROST WINGS. AS RESULT, AIRCRAFT LIFTED OFF, STALLED DUE INSUFFICIENT LIFT, AND CRASHED. ALTHOUGH UNSAL BELIEVES SEVERAL F-28'S MAY BE ORDERED IN FUTURE TO ALLOW CONTINUED OPERATIONS MARGINAL TURKISH AIRPORTS (I.E. BURSA, SUMSUN, BANDIRMA, BALIKESIR, ELAZIG, KAYSER), ISCEN AND DGCA GUNGEN INDICATE NO ADDITIONAL F-28'S WILL, IN FACT, BE ORDERED. DURING MARCH 27 MEETING ANKARA, DGCA GUNGEN INDICATED CURRENT THY FIVE-YEAR PLAN (JAN. 1, 1973-DEC. 31, 1977) SUBMITTED GOT CALLS FOR FLEET 25 AIRCRAFT BY YEAR-END 1977. SINCE PRESENT FLEET CONSISTS OF 17 AIRCRAFT (EXCLUDING LEASED AIRCRAFT) IN SERVICE OR ON ORDER (4 ADVANCED 727-200'S), ORDER FOR EIGHT ADDITIONAL AIRCRAFT, INCLUDING DC-10-10'S, DC-9-30'S AND ADVANCED 727-200'S MAY BE PLACED WITHIN NEXT TWELVE TO FIFTEEN MONTHS.

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Message Attributes

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Disposition Event:
Disposition History: n/a
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